

COMMISSIONERS
BOB STUMP – Chairman
GARY PIERCE
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BOB BURNS
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0000155911

Executive Director

ARIZONA CORPORATION COMMISSION

September 12, 2014

ORIGINAL

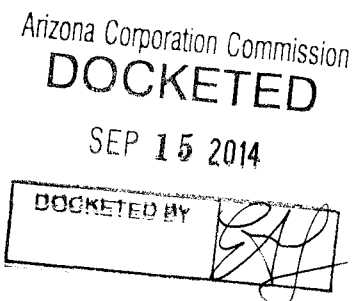
To: Docket Control

RE: EPCOR Water Arizona, Inc. *AAWC - Customer Comments (WATER & SEWER)
Docket No. WS-01303A-14-0010

Please docket the attached 7 customer comments OPPOSING a rate increase.

Customer comments can be reviewed in E-docket under the above docket numbers.

Filed by: Utilities Division – Consumer Services



RECEIVED
2014 SEP 15 A 9 12
AZ CORP COMMISSION
DOCKET CONTROL

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Carmen MadridPhone:Fax:Priority: Respond Within Five DaysOpinion No. 2014 - 118574Date: 9/11/2014Complaint Description: 08Q EPCOR
08G Consolidation - OpposedFirst:Last:Complaint By: Patricia HeathershawAccount Name: . Home: (000) 000-0000Street: n/a Work: (000) 000-0000City: Sun City CBR:State: AZ Zip: 00000 is:Utility Company: EPCOR Water *AAWCDivision: WaterContact Name: Contact Phone: (Nature of Complaint:

*****WS-01303A-14-0010*****

From: Patricia Heathershaw [mailto:;
Sent: Thursday, September 11, 2014 12:41 PM
To: Bob Burns
Cc: Utilities Div - Mailbox
Subject: Docket numbers SW-01303A-09-0343 and WS-01303A-14-0010

I received this message from Sun City's Recreation Center's GM Jan Ek and I believe the majority, if not all, of Sun City's residents strongly support him. The increase of Sun City's retirees living in poverty to extreme low income has dramatically increased and can barely make it from one Social Security deposit to another. I am one of these low income retirees who lost my retirement funds to the recession and to mismanagement of the remaining funds and I live on Social Security alone. We simply cannot afford the increases and the impact to the Sun City facilities, which will be passed on to residents in the annual assessment. I have sent emails to all of you Commissioners recently voicing my dissent, but I think this message from Jan Ek can deliver our message much better, so I am using his message to express my dissent. Please, please listen to us. This could financially destroy residents such as me as well as the many others living under the same financial stresses and worse.

"EPCOR Water is seeking not only rate increases in water and wastewater as is easily visible and reported in these cases, but they are also seeking significant Adjuster Mechanisms and a System Improvement Benefits mechanism that will more than double the rate increases proposed over the next 5 years in the water case. Should we be upset with EPCOR Water? No, not necessarily, they are simply another corporation asking for everything they can get. Who deserves our focus, frustration and angst should this water rate increase be granted or this wastewater consolidated are our elected Commissioners on the Arizona Corporate Commission. And given the Commission's recent decisions, including EPCOR's recent Fountain Hills case which weighed heavily in favor of EPCOR on most of these same issues, Sun City people are very concerned!

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

Sun City's fight over not being consolidated with other water districts is not new; we have been very vocal over our opposition to consolidation for years and we cannot let up now as it will cost Sun City residents an 89% increase in their wastewater, plus the increase costs for RCSC operations as well. While claims may be made that consolidation of our water districts are similar to APS consolidation, this is not true; our water and waste water systems are separate from one another and in most cases cannot even be linked to provide backup support. In addition, consolidation would give EPCOR a blank check to buy up junk water companies and get their entire customer base to pay for it. EPCOR reportedly plans to spend \$9.3 million in improvements to Sun City's wastewater operations in the next 5 years; however, if we are consolidated, Sun City residents will pay \$31.8 million for those improvements over the next 5 years.

While EPCOR Water is requesting a rate increase for Sun City water (in addition to the wastewater increase) of approximately \$3.82 per month, they are also asking for another \$3.80 per month or so for SIB, commonly referred to as infrastructure. As the General Manager of the Recreation Centers of Sun City who owns and operates 10 wells, I completely understand the need for replacement of infrastructure; however, the problem with SIB is three fold:

- 1.SIB rewards utility companies for not doing proper maintenance or making necessary improvements;
- 2.SIB is too broad as it applies to 55% of EPCOR Water's total investment; and,
- 3.It does not meaningfully consider reductions in operating costs, synergies as a result of the new infrastructure and other safeguards meant to protect the Sun City customers. Moreover, our consumer advocate, RUCO has sued the Commission claiming the SIB is unconstitutional. Although some scare tactics have been used in the past that without all these additional fees the infrastructure that makes up our systems could fail or be inadequate; the fact is that EPCOR Water is required by law to provide safe and sufficient water to Sun City residents. Sun City residents should disregard the scare tactics and insist that the Commission act in a just and balanced manner!

As Sun City residents, we need to address consolidation, the SIB/System Improvement Benefits and Adjuster Mechanisms with the Arizona Corporate Commission (ACC) because we are the ones who will determine if this occurs. Basically, adjuster mechanisms allow rates to go up between rate cases as utility companies want to be protected for declining usage and other unfavorable factors. While that may be appropriate to assure that EPCOR has the ability to provide safe and sufficient water and wastewater services to Sun City, the issue is that the rate does not go down if there is an increase in usage, which is totally not fair. In addition, some of the adjuster mechanisms are not appropriate such as tank maintenance expenses or employee health care costs, operating costs controllable by the corporation.

"

I beg of you to please cast your vote against Epcor's proposals/requests.

Patricia Heathershaw

Sun City, AZ 85351
End of Complaint

Utilities' Response:

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Investigator's Comments and Disposition:

Opinino noted and filed in Docket No. WS-01303A-14-0010. closed
End of Comments

Date Completed: 9/11/2014

Opinion No. 2014 - 118574

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

Investigator: Carmen MadridPhone:Fax:Priority: Respond Within Five DaysOpinion No. 2014 - 118570Date: 9/11/2014Complaint Description: 08Q EPCOR
08G Consolidation - OpposedFirst:Last:Complaint By: Jon & Mary RaymondAccount Name: Jon & Mary RaymondHome: (000) 000-0000Street: n/aWork: (000) 000-0000City: Sun CityCBR:State: AZ Zip: 00000is:Utility Company: EPCOR Water *AAWCDivision: WaterContact Name:Contact Phone:Nature of Complaint:

*****WS-01303A-14-0010*****

From: maryraymond@cox.net [mailto:
Sent: Thursday, September 11, 2014 11:58 AM
To: Bob Burns
Cc: Utilities Div - Mailbox
Subject: Dockets # SW-1303-A-09-0343 and WS-01303A-14-0010

Dear Commissioners, We are writing in regard to the above mentioned cases. After being Snowbirds for a number of years, we sold our home in Washington State and have made Sun City our full-time residence as of last Spring. We made the difficult decision of leaving our home of 40 years because of the reasonable cost of living in Sun City. Those of us Seniors who are on fixed incomes are able to live within our incomes due to those costs. By allowing our water and wastewater rates to be raised in excessive amounts, you are taking away those benefits. As elected officials, please take all of our futures into careful consideration and don't allow this to take place. Sincerely, Jon and Mary Raymond

End of Complaint

Utilities' Response:Investigator's Comments and Disposition:

Opinion noted and filed in Docket No. WS-01303A-14-0010. closed
End of Comments

Date Completed: 9/11/2014Opinion No. 2014 - 118570

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

WS-01303A-14-0010

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

Investigator: Carmen Madrid

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2014 - 118580

Date: 9/11/2014

Complaint Description: 08A Rate Case Items - Opposed
N/A Not Applicable

First:

Last:

Complaint By: **Phillip**

Word

Account Name: Phillip Word

Home: (000) 000-0000

Street: n/a

Work: (000) 000-0000

City: Sun City

CBR:

State: AZ Zip: 85351

is:

Utility Company: **EPCOR Sewer *AAWC**

Division: sewer

Contact Name:

Contact Phone:

Nature of Complaint:

*****WS-01303A-14-0010*****

From: Phillip Word [mailto:

Sent: Thursday, September 11, 2014 1:31 PM

Subject: Raising water rates and incorporating all districts!!!

To Whom it concerns: I have been reading the material from our Sun City Board on the water and waste water issue this summer. I'm referring to docket # SW-01303A-09-0343 and WS-01303A-14-0010. I understand the need to improve and update any system and the material that it takes to run an operation. I can understand a reasonable rate in crease to cover such maters. However, when you are asking an identity such as Sun City to help pay for everyone else improvements too, it's not a fair deal. Asking retired people to come up with a 60% or more raise in rates is crazy. I've never heard of any company getting that much and trying to incorporated everyone is not a fair idea either. I'm totally against what you have proposed. Let's keep a sound and reasonable structured like we have now. Please consider each locality and keep things in some kind of economical order. Phill Word resident of Sun City, AZ 85351

Phill

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Opinion noted and filed in Docket No. WS-01303A-14-0010. closed

End of Comments

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Date Completed: 9/11/2014

Opinion No. 2014 - 118580

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Carmen MadridPhone:Fax:Priority: Respond Within Five DaysOpinion No. 2014 - 118582Date: 9/11/2014Complaint Description: 08A Rate Case Items - Opposed
N/A Not ApplicableFirst:Last:Complaint By: David & Charlott MorganAccount Name: . Home: (000) 000-0000Street: n/a Work: (000) 000-0000City: Sun City CBR:State: AZ Zip: 85351 is:Utility Company: EPCOR Sewer *AAWCDivision: sewerContact Name: Contact Phone: () - -Nature of Complaint:

*****WS-01303A-14-0010*****

From: c s Morgan [mailto:.
Sent: Thursday, September 11, 2014 2:13 PM
To: Bob Stump; Gary Pierce; Susan Bitter Smith; Brenda Burns; Bob Burns
Cc: Utilities Div - Mailbox
Subject: EPCOR Rate Increases

Commissioners:

Ref: Docket numbers SW-01303A-09-0343 for the wastewater case and WS-01303A-14-0010 for the water case

If the following supplied to us by the Management of Sun City is true, then we would assume that there'd be no way you could approve EPCOR's rate increases. If this is not the case, then why not? We'd love to hear the explanation justifying it.

Sincerely,

David and Charlotte Morgan,

EPCOR Water is seeking not only rate increases in water and wastewater as is easily visible and reported in these cases, but they are also seeking significant Adjuster Mechanisms and a System Improvement Benefits ("SIB") mechanism that will more than double the rate increases proposed over the next 5 years in the water case. Should we be upset with EPCOR Water? No, not necessarily, they are simply another corporation asking for everything they can get. Who deserves our focus, frustration and angst should this water rate increase be granted or this wastewater consolidated are our elected Commissioners on the Arizona Corporate Commission ("ACC"). And given the Commission's recent decisions, including EPCOR's recent Fountain Hills case which weighed heavily in favor of EPCOR on most of these same issues, Sun City people have reason to be concerned!

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

Sun City's fight over not being consolidated with other water districts is not new; we have been very vocal over our opposition to consolidation for years and we cannot let up now as it will cost Sun City residents an 89% increase in their wastewater, plus the increase costs for RCSC operations as well. While claims may be made that consolidation of our water districts are similar to APS consolidation, this is not true; our water and waste water systems are separate from one another and in most cases cannot even be linked to provide backup support. In addition, consolidation would give EPCOR a blank check to buy up junk water companies and get their entire customer base to pay for it. EPCOR reportedly plans to spend \$9.3 million in improvements to Sun City's wastewater operations in the next 5 years; however, if we are consolidated, Sun City residents will pay \$31.8 million for those improvements over the next 5 years.

And that's just part of the story, Here's The Rest Of The Story!

While EPCOR Water is requesting a rate increase for Sun City water (in addition to the wastewater increase) of approximately \$3.82 per month, they are also asking for another \$3.80 per month or so for SIB, commonly referred to as infrastructure. As the General Manager of the Recreation Centers of Sun City who owns and operates 10 wells, I completely understand the need for replacement of infrastructure; however, the problem with SIB is three fold:

- 1.SIB rewards utility companies for not doing proper maintenance or making necessary improvements;
- 2.SIB is too broad as it applies to 55% of EPCOR Water's total investment; and,
- 3.It does not meaningfully consider reductions in operating costs, synergies as a result of the new infrastructure and other safeguards meant to protect the Sun City customers. Moreover, our consumer advocate, RUCO has sued the Commission claiming the SIB is unconstitutional. Although some scare tactics have been used in the past that without all these additional fees the infrastructure that makes up our systems could fail or be inadequate; the fact is that EPCOR Water is required by law to provide safe and sufficient water to Sun City residents. Sun City residents should disregard the scare tactics and insist that the Commission act in a just and balanced manner!

And that's still just part of the story, Here's Even More Of The Story!

Sun City residents need to address consolidation, the SIB/System Improvement Benefits and Adjuster Mechanisms with the Arizona Corporate Commission (ACC) because they are the ones who will determine if this occurs. Basically, adjuster mechanisms allow rates to go up between rate cases as utility companies want to be protected for declining usage and other unfavorable factors. While that may be appropriate to assure that EPCOR has the ability to provide safe and sufficient water and wastewater services to Sun City, the issue is that the rate does not go down if there is an increase in usage, which is totally not fair. In addition, some of the adjuster mechanisms are not appropriate such as tank maintenance expenses or employee health care costs, operating costs controllable by the corporation.

End of Complaint

Utilities' Response:

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Investigator's Comments and Disposition:

Opinion noted and filed in Docket No. WS-01303A-14-0010. closed

End of Comments

Date Completed: 9/11/2014

Opinion No. 2014 - 118582

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Carmen Madrid**Phone:****Fax:****Priority:** Respond Within Five Days**Opinion** **No.** 2014 - 118592**Date:** 9/12/2014**Complaint Description:** 08A Rate Case Items - Opposed
N/A Not Applicable**First:****Last:****Complaint By:** **Mary Sue & Harold Andreason****Account Name:** Mary Sue & Harold Andreason**Home:** (000) 000-0000**Street:** n/a**Work:** (000) 000-0000**City:** Sun City**CBR:****State:** AZ Zip: 00000**is:****Utility Company:** **EPCOR Water *AAWC****Division:** Water**Contact Name:****Contact Phone:****Nature of Complaint:**

*****WS-01303A-14-0010*****

From: Bud and Mary Sue [mailto:
Sent: Thursday, September 11, 2014 3:26 PM
To: Bob Burns
Cc: Utilities Div - Mailbox
Subject: Fwd: Fwd: Docket numbers SW-01303A-09-0343 . WS-01303A-14-0010

ACC
COMMISSIONERS WING
1200 W WASHINGTON STREET, 2ND FLOOR
PHOENIX AZ 85007

Dear Sirs:

We have resided in Sun City for the last 15 years. It is a "Retirement Community" and that means that most of us are on a fixed income from our retirement. What Epcor Water Company is proposing, would give them a blank check to buy up water companies, and their entire customer base would end up paying for it.

We as longtime residents do not want the consolidation with other water companies, or the Adjuster Mechanisms and a System Improvement Benefits (SIB). We cannot afford to pay for higher water rates and Sun City will end up being a ghost town. Everyone will have to move and all of us are here for our golden years and safety. So if it ends up a ghost town, who will pay for the water raises in the future.

This is reference to Docket number SW-01303A-09-0343 for the waste water case and WS-01303A-14-0010 for the water case.

Sincerely,

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Mary Sue and Harold Andreason

Sun City AZ 85351

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Opinion noted and filed in Docket No. WS-01303A-14-0010. closed

End of Comments

Date Completed: 9/12/2014

Opinion No. 2014 - 118592

WS--01303A-14-0010

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

Investigator: Carmen Madrid

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2014 - 118593

Date: 9/12/2014

Complaint Description: 08A Rate Case Items - Opposed
N/A Not Applicable

First:

Last:

Complaint By: John E & Arthurline R Sahlberg

Account Name:

Home: (000) 000-0000

Street:

n/a

Work: (000) 000-0000

City:

Sun City

CBR:

State:

AZ Zip: 00000

is:

Utility Company: EPCOR Water *AAWC

Division:

Water

Contact Name:

Contact Phone:

Nature of Complaint:

*****WS-01303A-14-0010*****

From: JOHN E SAHLBERG Owner [mailto:

Sent: Thursday, September 11, 2014 4:38 PM

Cc: gpiecre@azcc.gov; Susan Bitter Smith; Brenda Burns; Bob Burns; Bob Stump; Utilities Div - Mailbox

Subject: Docket numbers SW-01303A-09-0343 for the wastewater case & WS-01303A-14-0010 for the water case

To Whom It May Concern:

As retired, fixed income, residents of Sun City, AZ, let it be noted that we are in agreement with the Centers of Sun City opposing Consolidation, SIB & Adjuster Mechanisms in EPCOR Water & Wastewater Rate Cases.

John E & Arthurline R Sahlberg

Sun City, AZ 85351

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Opinion noted and filed in Docket No. WS-01303A-14-0010. closed

End of Comments

Date Completed: 9/12/2014

Opinion No. 2014 - 118593

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Carmen MadridPhone: (Fax:)Priority: Respond Within Five DaysOpinion No. 2014 - 118608Date: 9/12/2014Complaint Description: 08A Rate Case Items - Opposed
N/A Not ApplicableFirst:Last:Complaint By: Lauren

Driessen

Account Name: Jeroen DriessenHome: (000) 000-0000Street: n/aWork: (000) 000-0000City: BuckeyeCBR:State: AZ Zip: 00000is:Utility Company: EPCOR Water *AAWCDivision: WaterContact Name: -----Contact Phone: ((Nature of Complaint:

*****OPPOSED TO RATE INCREASE*****WS-01303A-14-0010*****

We paid \$255 for Epcor to change our meter from a 1 inch to a 3/4" meter. On 09/10/14 a representative from Epcor switched the meter and left a note on our door. We immediately checked the meter, as we have had numerous issues with Epcor's meter usage readings before, to discover that the newly installed meter was not installed properly and was leaking water. After multiple attempts of trying to contact someone at Epcor to alert them of the problem, they finally, but reluctantly agreed to send someone over to our property. I requested to be present, which they deliberately ingored. Epcor says our new meter is working propoerly, but we, the consumers forced to pay for the leaking water, are not able to read it. We do not trust this company !!! We need to be able to read and monitor our own meter. If not, they could present us with an extremely outrageous water bill, yet again. Our neighbors recently had a \$1300 water bill, due to similar circumstances. Two years ago, we too, were given an extremely high water bill before and Epcor simply call it 'unexplained water usage" and we were responsible to pay it. This company is corrupt in how they "read" their customers meters, dishonest in how they deal with their customers and unethical in their rates. People have MOVED OUT OF OUR NEIGHBORHOOD, just to get away from having to deal with this company and their ridiculously high water fees and awful service. Please do something about the company !!!!!!!

End of Complaint

Utilities' Response:Investigator's Comments and Disposition:

Opinion noted and filed in Docket No. WS-01303A-14-0010. closed

End of Comments

Date Completed: 9/12/2014

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Opinion No. 2014 - 118608
